

REMARKS/ARGUMENTS

Anticipation - Section 102(b) Rejection

The Examining Attorney has rejected claims 1-6 and 8 as being anticipated by Marshall (2002/0116266). The Applicant respectfully requests the Examining Attorney reconsider the rejection based on the arguments set forth below.

This Invention was Reduced to Practice On or Before January 11, 2001.

The Marshall reference claims priority back to a prior provisional application in January of 2001, while this present application was filed on February 15, 2001. The declaration of the inventors under 37 C.F.R. 1.131, as well as the declaration of the attorney filing the present patent application, establish that the invention as currently claimed was reduced to practice on or before January 11, 2001, and therefore the Marshall reference does not pre-date this invention and there is therefore no anticipation.

Therefore the Applicant asserts that the grounds for the Section 102 rejection have been removed, and the rejection should be withdrawn.

Obviousness - Section 103(a) Rejection

The Examining Attorney has rejected claims 1-6 and 8 as being obvious, referring to a three (3) reference combination including Early Payment, Lawlor (5,870,724), and further in view of Storey (6,578,012). The Applicant

respectfully requests that the Examiner reconsider and remove the obviousness rejection based on the arguments, points and authorities set forth below.

The Examiner has randomly (and in conclusory fashion) intermixed what the Examiner asserts are steps from three different references, with no prima facie showing of motivation to make the combinations in the orders or ways shown. Just the nature of pulling one element from the Early Payment reference, then one from Lawlor, then another from Lawlor, then three from Storey, then back to Early Payment, warrants a finding of no prima facie case and no obviousness. The Examiner then cites motivations for a customer to possibly use or want various aspects of the system, but not showing any motivation or suggestions in the references to make the combination. To attempt to take Lawlor as a base system and combine it with Early Payment and Storey without any showing or proof of incentive, suggestion or motivation to combine, is not a showing of obviousness.

As to claims 2, 5 and 8, they are dependant on claim 1 and not obvious for the same reasons.

Furthermore, there is nothing in the Early Payment reference which suggests the desirability of the combination and therefore the Examiner has not met the minimum required showing for *prima facie* obviousness.

In the U.S. Court of Appeals for the Federal Circuit case of *In Re: Lee*, 61 U.S.P.Q. 2d 1430, decided January 18, 2002, the Federal Circuit held:

... Thus, when they rely on what they assert to be general knowledge to negate patentability, that knowledge must be articulated and placed on the record. The failure to do so is not consistent with either effective administrative procedure or effective judicial review. The Board cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.

The examining attorney has therefore failed to meet the requirement to set forth with specificity the general knowledge in the art to enable a finding that the person having ordinary skill in the art would make such combination.

As the PTO recognizes in MPEP 2142:

The legal concept of *prima facie* obviousness is a procedural tool of examination which applies broadly to all arts. It allocates who has the burden of going forward with production of evidence in each step of the examination process.... The Examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. If the Examiner does not produce a *prima facie* case, the Applicant is under no obligation to submit evidence of non-obviousness.... The initial evaluation of *prima facie* obviousness thus relieves both the Examiner and Applicant from evaluating

evidence beyond the prior art and the evidence in the specification as filed until the art has been shown to suggest the claimed invention.

MPEP 2143.01 provides:

The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re: Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990).

The Federal Circuit has several times expressly addressed the issue of how to evaluate an alleged case of *prima facie* obviousness to determine whether it has been properly made. Thus, *In re: Geiger* stated in holding that the PTO "failed to establish a *prima facie* case of obviousness:

Obviousness cannot be established by combining the teaching of the prior art to produce the claimed invention, absent some teaching, suggestion or incentive supporting the combination. *ADC Hospital Systems, Inc. V. Monteffore Hospital*, 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984).

Prior Art Made of Record and Not Relied Upon


The Applicant notes the prior art made of record but not relied upon and asserts that for the reasons set forth above, the claims are allowable over the art made of record.

Conclusion

Applicant therefore submits Claims 1-6 and 8 are in a position to proceed to allowance.

Respectfully submitted,

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